

Arizona Department of Water Resources
GROUNDWATER USERS ADVISORY COUNCIL
Tucson Active Management Area
Kenneth Seasholes, Area Director



DEE T. O'NEILL
Chair

DAVID MODEER
Vice-Chair

JOHN MAWHINNEY

JON POST

CHUCK SWEET

Minutes
November 10, 2004

Members Present: Dee O'Neill, Chair
John Mawhinney
Chuck Sweet

Staff Present: Kenneth Seasholes, Area Director
Mary Bauer
Christina Bickelmann
Laura Grignano
Jeff Tannler
Dawne Wilson

Others: Thomas Berry, Pima County Wastewater Mgmt.
Janet Lea Carr, SAWUA
Dave Crockett, FWID
Chuck Cullom, CAP
Alan Forrest, Oro Valley Water Utility
Arturo Gabaldon, Community Water Co.
Eve Halper, Bureau of Reclamation
Ries Lindley, Tucson Water
Bill Richardson, Pima County Wastewater Mgmt.
Pete Schlegel, PMA Group
Cynthia Stefanovic, AZ State Land Dept.
Warren Tenney, Metro Water District
Gerry Wildeman, AWBA
Ron Wong, BKW Farms

1. Call to Order

Chairperson Dee O'Neill called the meeting to order at 9:30A.M. Introductions were made.

2. Approval of Minutes

John Mawhinney made a motion to approve the minutes of August 31, 2004. Chuck Sweet seconded the motion. The minutes were unanimously approved.

3. Arizona Water Banking Authority (AWBA) Annual Operating Plan

Tim Henley, Manager of the AWBA, reviewed the AWBA's 2005 Annual Plan of Operation. Each year, as required by statute, the AWBA presents its Plan to the GUAC. Comments are due by the end of November 2004 with adoption of the Plan likely to occur at the AWBA's December 9, 2004 meeting.

It is projected that the AWBA will store 305,634 acre-feet (af) of CAP water in 2004, with 10,000 af stored for Nevada as the interstate component.

There is approximately 128,000 af to store in 2005, less than half the annual amount stored in the history of the AWBA. This is partly due to Phoenix cities recharging more. In addition, Salt River Project (SRP), has a large order of CAP water that it will use to supplement its own surface water storage and deliveries.

The combined storage at the Tucson AMA's Underground Storage Facilities (USF) - Avra Valley, Clearwater, Pima Mine Road, and Lower Santa Cruz - will be approximately 31,000 af plus approximately 1,000 af (in lieu) at the Kai Red Rock Groundwater Savings Facility (GSF).

The Pinal AMA is scheduled to store approximately 27,500 af and the Phoenix AMA 69,000 af. Pinal could take more water, but there are no funds available. Tucson will be fund constrained next year. Phoenix is neither fund nor capacity constrained.

The CAP delivery rate to the AWBA is \$73 af, which covers energy and maintenance costs. The GSF delivery rate is \$30 af, and the USF facility fees vary depending on how the facilities are operated and maintained.

Of the projected \$20,000,000 available in funds (withdrawal fees and 4-cent tax) for operation in 2005, roughly \$7,000,000 will be expended. Once the AMAs spend the withdrawal fees, there will be no carry-over but some credits will be accrued. There are no General Funds available or interstate banking planned at this time.

Mr. Henley finished by reporting between 1997-2004 roughly \$100,000,000 will have been expended, with about 2,000,000 af in credits accrued. The Tucson AMA will have accrued 245,000 af of those credits at a cost of \$15,000,000.

The GUAC commented on the Plan by requesting that there be more water delivered to the Pima Mine Road facility, based on the IPAG recommendations and the subsequent GUAC letter sent to Herb Guenther, Chairman of the AWBA, outlining the Tucson AMA's recommendations on 2005 water banking activities. The GUAC would also like to explore options for interstate banking in the Tucson AMA should more water become available in the future.

John Mawhinney made a motion requesting that a letter be sent to the AWBA expressing these recommendations. Chuck Sweet seconded the motion; it was unanimously approved.

4. Institutional and Policy Advisory Group (IPAG)

Ken Seasholes reported the IPAG has been meeting regularly and has come to consensus on 2005 storage priorities and is moving forward on recovery planning.

Prior to the order put in by SRP and others, there appeared to be a sufficient amount of water available for Nevada interstate banking in 2005. Should additional water become available, the IPAG feels exploring interstate banking in the Tucson AMA could prove beneficial, particularly in utilizing state demonstration projects.

Mr. Seasholes mentioned there had been a question as to the relationship of the GUAC and the IPAG. He clarified his view that IPAG primarily serves as the technical arm of the GUAC. Many issues require a deep level of analysis, which may not be suitable for the GUAC, and should be undertaken by the IPAG. IPAG may begin studying an issue without initially consulting the GUAC, but will keep the GUAC informed and will forward substantive policy issues for GUAC consideration.

5. Utilization of Non-Indian Agricultural CAP Water

Ken Seasholes gave an update on Non-Indian Agricultural CAP Water. Through 2030, there is an allocated block of roughly 15,000 af of excess CAP water for specific agricultural entities within the Tucson AMA. This water doesn't generate an offsetting groundwater credit and is relatively inexpensive (\$32 af), but due to the low cost of groundwater pumping and other issues, it had not been fully utilized in 2004 in the Tucson AMA and was offered to the Pinal and Phoenix AMAs.

Because of this lost opportunity to offset groundwater pumping with CAP water, Mr. Seasholes explored options for buying down (further subsidizing) the unordered water. Implementing a program turned out to be difficult, partly due to the timing of scheduling water orders. Pinal area districts had anticipated getting some of the unordered water and CAP schedulers were eager to firm up 2005 orders.

CAP gave the Tucson AMA an opportunity to work out an arrangement with the Cortaro-Marana Irrigation District (CMID), the only eligible entity that could potentially enter into an Intergovernmental Agreement. CMID's Board made a proposal on the subsidy, but Mr. Seasholes did not accept the bid. As a result, only 70% of this water will be used in the Tucson AMA in 2005; therefore, Mr. Seasholes informed the CAP the remaining 30% of the water could go to Pinal.

There was interest expressed in exploring additional options to utilize more of this water in the future.

6. Tucson AMA Water Budget and Use Trends

As requested by the GUAC at one of its prior meetings, Ken Seasholes and Laura Grignano worked on putting together the Tucson AMA Water Budget. Mr. Seasholes reviewed a budget outlining water supply and demand from all use sectors.

The projected 2025 budget developed for the Third Management Plan reflects 52,044 af in overdraft. Mr. Seasholes clarified that overdraft and safe yield numbers can be constructed in different ways. ADWR typically views overdraft as the legal character of water. When an in-lieu arrangement is made (use of CAP water instead of groundwater), a credit is generated for the owner of the CAP water, but ADWR legally views this as use of groundwater; therefore, groundwater is used for accounting purposes. The reason for this is that the entity accruing the credit will eventually pump from the aquifer. As a result, in-lieu water use contributes to the overdraft number. When the credit is pumped in the future it will not legally count as overdraft.

For comparison, Mr. Seasholes referred the group to the 2003 groundwater only budget that used the same underlying data, but accounted on a “wet water” basis. There is substantial difference. When viewing the ADWR legal accounting budget, there is 163,623 af of overdraft in 2003 but when viewing the groundwater only budget, there is 105,030 af of overdraft.

The review by Mr. Seasholes illustrated that water budget and use trends could be viewed in multiple ways. There is a large amount of data that goes into creating water budgets, and there are some assumptions built in on how much incidental recharge occurs. Whichever way the numbers are configured, it is projected that safe yield will not be reached by 2025. To reduce the overdraft, the municipal sector will need to use significantly more CAP water and effluent, which is gradually happening.

Recognizing how serious the problem is of not reaching safe yield, the GUAC expressed an interest in inviting the Tucson area municipal water users to one of its upcoming meetings to get a better sense of their future plans for effluent and CAP water use. Another timely agenda item would be to discuss the future of municipal conservation programs in this region.

7. Area Director’s Report

Ken Seasholes introduced Dawne Wilson, who was recently hired as a Water Resource Specialist in the Tucson AMA office. Dawne will be working primarily on the Assured Water Supply Program.

Mr. Seasholes asked Jeff Tannler to give an update on the well rules development process. Mr. Tannler reported the first stakeholders’ meeting was held in Phoenix on October 27, 2004. The next meeting will be on Tuesday, November 16, 2004 in Phoenix, where principals will be developed that will assist in guiding the process. The subsequent meeting is set for December 9, 2004. The meetings are open to the public and comments are welcomed. If you would prefer to be added to the e-mail distribution list to be kept apprised of the process, contact Jeff Tannler in the Tucson AMA office or Scott Miller in the Phoenix office. All of the pertinent documents are available on ADWR’s website: www.water.az.gov

John Mawhinney reported the Governor would be holding Water Listening Sessions throughout the state, with Tucson's session scheduled for December 14. Mr. Mawhinney encouraged that a presentation be organized for the Governor.

Ken Seasholes responded that the Tucson AMA office would have material, displays and presentations available for the December 14 session and recognized initiating a community-wide (citizen led) message would be valuable as well.

It was decided that the Southern Arizona Water Users Association (SAWUA), IPAG, GUAC, and Water CASA would be the appropriate groups to coordinate recommendations and a regional message. Once this is accomplished the GUAC would convene prior to the December 14 Water Listening Session to review and discuss the message that will be presented.

8. Public Comment

There was no public comment.

9. Date and Agenda for Next Meeting

The next meeting of the GUAC will be held on Tuesday, December 7, 2004 at 9:00 a.m.

10. Adjournment

The meeting was adjourned at 11:30 a.m.